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AUGUST 23, 1965

WESTERN AUSTRALIA IS TRANSFORMED INTO FARMLAND

MORE U.S. FARM PRODUCTS GO TO BELGIUM-LUXEMBOURG

YUGOSLAVIA TAKES ECONOMIC MEASURES

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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AUGUST 23, 1965
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Experimental plantings of American upland variety cotton are cultivated on this Western Australian farm, irrigated by the Ord River. See story on opposite page.

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Australia's Western Frontier Is Transformed Into Farmland

New roads and harbors, research and irrigation are key factors in utilizing land potential for farms and pastures.

By MARY E. LONG
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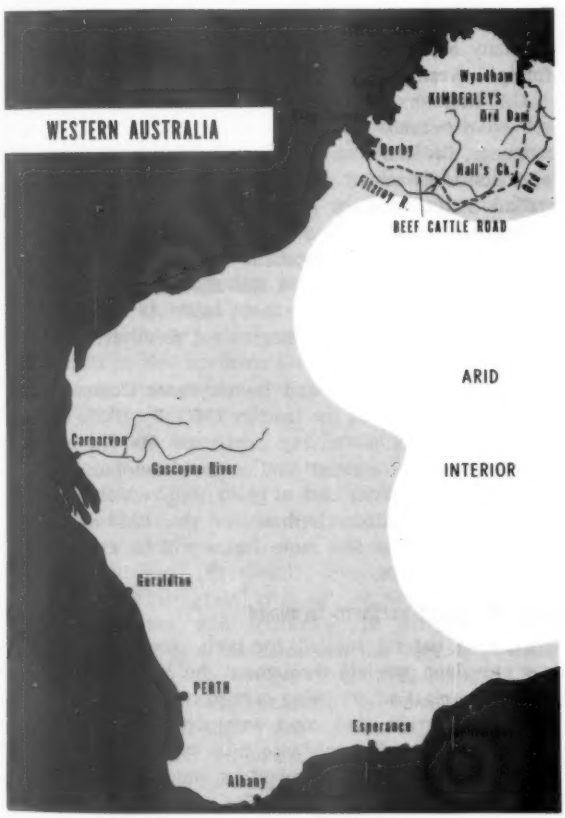

Land undergoing the most extensive development, shaded above, includes the Kimberleys to the north and the Esperance to the south. New deepwater ports are being built at King Sound and Collier Bay on the Timor Sea.

Many thousand acres of desolate, scrub wasteland of Western Australia have emerged in recent years as productive crop and pastureland. The realization of thousands of acres of potentially good soil in this last far-west frontier has virtually transformed the continent's "big country," and further development will continue into the 1970's. The State's 976,000 square miles, covering one-third of the continent, have been the target for a number of irrigation projects, technical advancement in farming, extensive research, and foreign and domestic land investments.

In the 1930's, Western Australia, with 3.8 million acres, ranked fourth in Australia's total cultivated crop area. Now it ranks second. In 1963-64, more than 1.1 million acres of undeveloped land were brought into agricultural use as compared to an annual average of 750,000 acres in earlier years. Furthermore, the rate of increase in farm output from this State has consistently exceeded the national average.

More people, roads, and harbors

One reason for this dramatic surge in development is the Commonwealth's plan to expand funds for settlement and development of the northern part of the State. Although the population is small and is concentrated around the capital city of Perth, it is increasing at an average annual rate of 3 percent. In late 1964, there were an estimated 800,000 persons in Western Australia as compared to 500,000 in 1946.

More road and sea transport facilities are primary requisites for any worthwhile land improvement, and since 1962, a government-sponsored $16-million road construction program has been underway in the Kimberleys. Scheduled for completion by 1966, the new roads will link the livestock-grazing area with the meat-packing centers, Derby and Wyndham. These routes should expedite the movement of cattle to market by truck in a matter of a few hours. Formerly, cattle were driven overland for weeks at a time, with an ensuing loss of weight of the animals. A further expansion of a road network throughout northern Australia is now being coordinated with the Commonwealth and Queensland Governments.

Plans are also underway to establish a deepwater port on the west side of the Kimberleys, in either King Sound or the Collier Bay area. This port will facilitate overseas shipments and relieve the routing of all exportable products of the north through Wyndham, the only port large enough for ocean liners. With shipping facilities extended, northwestern Australia will become an ideal location for trade development in agricultural commodities to the Far East. The port of Wyndham, for example, is closer to Singapore than to Perth and closer to Rangoon, Hong Kong, or Manila than to Melbourne.

Agriculture important

Despite the attention currently being given to mining and mineral discoveries, agriculture continues as a basic component of the economies of both this State and the Commonwealth. The recent discovery of oil and mineral

Above, this diversion dam at Baricoot Bar, a completed part of the Ord River Project, irrigates thousands of acres in the Kimberleys.

deposits in the western State has set off a bold program of industrial development, but it is paralleled by the equally extensive and far-reaching land improvement program.

The agricultural areas of Western Australia are scattered from the coastal regions of the south to the Kimberleys in the far north. Such a large expanse of land offers a wide variety of climates and agricultural activity. Year-round crops can be grown in the humid tropical climate of the north, while more seasonal produce comes from the south coastal temperate zone and the semitropical central region.

About 10 percent of Australia's agricultural output comes from the western State. Chief products are grain, livestock products (chiefly wool), dairy foods, hay, vegetables, and fruit.

For several years, Western Australia has led all the States in total acreage planted to grains. Sown pasture in the late 1930's totaled approximately 900,000 acres and by 1964 had increased to 9.5 million, or more than one-fifth of the sown pasture area of the entire continent. Aerial fertilizing and seeding have increased dramatically in the past 4 years. As a result, 1.4 million acres were treated last year as compared to 582,000 in 1961.

On an average, 23 percent of the entire continent's wheat originates in Western Australia. In contrast to wheat areas of New South Wales and Queensland which are experiencing a severe drought, this State's 1965-66 crop was sown under very good conditions. The area sown has been estimated at 5.9 million acres with an expected record harvest of over 90 million bushels.

Esperance attracts investors

The area which has probably undergone the most extensive transformation is the Esperance, on the southern coast of the continent. This light-sand area, extending from Albany to the Israelite Bay, has been fertilized with certain trace elements, such as copper, zinc, and molybdenum, which give the soil an excellent base for clover pastures as well as for the growing of oats and flaxseed. The pastures will be stocked with beef cattle and fat lambs.

World-wide attention was attracted to the Esperance in 1956 when large-scale capital investments for land development were made by U.S. interests. Poor planting techniques and an unfavorable season turned the project into failure. Nevertheless, the area benefited from the publicity and attracted the interest of both domestic and foreign investors.

U.S. investors have found Western Australia particularly attractive because this area offers a similar culture and language, favorable land laws, and the economic security of a politically sound government. Relative to other Australian States, Western Australia enjoys certain cost advantages in the production of cereal grains and sheep. Also, to stimulate land development and further investment, the government has given a tax allowance to both Australians and foreigners who hold land. As a result, most farm expenditures for mechanization, fertilizer, and pesticides are tax deductible.

The Esperance Land and Development Company took over large portions of the land in 1960. By 1965, the area was reported as a thriving center of 600 farms, with 850,000 acres of cleared land under development, 5,000 sheep, 25,000 cattle, and a grain crop which was estimated at 1.2 million bushels for the 1964-65 season. Plans indicate that 500 more farms will be developed in the next few years.

Irrigation opens northern farmland

Lack of natural rainfall for both crops and livestock is a prevalent problem throughout the State. As a result, plans for irrigation are being carried out in many parts of Western Australia, but most extensively in the extreme northern portion. Several large river systems flow through this area known as the Kimberleys, emptying great quantities of water into the Timor Sea. Two of the most important rivers are the Ord, near the border of Western Australia and the Northern Territory, and the Fitzroy to the southwest. Water availabilities in the Kimberleys have been reported equal to total water resources of the Snowy Mountain, Murrumbidgee, and Murray River systems combined.

The Ord River Project, at an estimated cost of $70

The farmer above is clearing bush in the Esperance Downs. Once wasted acreage, this land will be fertilized for valuable pastures or sown for grain and flaxseed.

million, when complete, is expected to irrigate about 150,000-200,000 acres of land in Western Australia and the Northern Territory. The first phase of the program called for a diversion dam at Baricoot Bar which is now complete. Several hundred acres of irrigated land have already been assigned to individual farmers under conditional purchase contracts. The second phase provides for construction of a larger dam, with the capacity of 3.5 million acre-feet of water, to generate hydroelectric power and also to provide for irrigation.

The soils in this northern area are fertile. Considerable advance experimentation and research have been performed in tropical agriculture, so that high yields and quality crops are expected. In addition to cotton and rice, sugar, peanuts, and flaxseed can be produced commercially.

The number of beef cattle in the East and West Kimberleys has not changed radically since the early 1900's, but scientists now believe a vast potential for beef cattle exists in the area. Previously, livestock growers were interested only in grass growing. A new emphasis on cultivated pasture and fertilizing, in connection with the irrigation projects, indicates that the number of cattle in the northern areas of the State will increase. Beef cattle interests are also expected to benefit from the protein-meal byproducts from cotton and the oilseed crops, both of which can be used for cattle feed.

Another smaller area which shows bright prospects is the Carnarvon District. Situated on the delta of the Gascoyne River, irrigated farming dates back to the 1930's. Vegetables can be produced the year around, and bananas are also grown for the Perth market. Although there is considerable potential for expansion of tropical fruit and vegetable production in Carnarvon, success will depend on transportation for shipping produce to marketing centers other than Perth.

From top to bottom: American upland cotton on the east bank of the Ord; sheep and lambs used on new Kimberley pastures; loading wool for export at wharf in Fremantle, Western Australia.

More U.S. Farm Products Going to Belgium-Luxembourg

Although it has a small population of only about 10 million and a relatively efficient agriculture, the Belgo-Luxembourg Economic Union (BLEU) is one of the traditionally important markets for U.S. agricultural exports.

In 1964 the United States exported $165 million worth of agricultural products to BLEU, making it the seventh largest dollar market for U.S. agricultural exports, surpassed only by Japan, Canada, the Netherlands, the United Kingdom, West Germany, and Italy. Except for the Netherlands, BLEU's partner in the Benelux, all these countries have a much larger population than the Union.

BLEU is not only a relatively large market for U.S. farm exports, but also a growing market: U.S. agricultural exports to the area in 1964 were one-third higher than the annual average for 1959-61.

Why our exports have risen

Two major factors account for the recent growth in U.S. farm exports to BLEU: First, its continued economic expansion, and second, expansion of its livestock industries, including poultry.

Since 1959 the BLEU economy has expanded at an average annual rate of 4.5 percent. Almost no unemployment exists, and since mid-1963 there has been a strong upward pressure on consumer prices. However, the gain in real purchasing power has been large enough to permit BLEU consumers to change their buying habits for food. Today they are eating fewer cereal products and potatoes, less butter and deciduous fruit, but more red meat, poultry, eggs, fluid milk, citrus, and vegetables. There is also an increasing trend toward the use of more ready-prepared and convenience-type foods.

The recent rise in BLEU's production of beef, pork, poultry, and eggs has increased the demand for livestock feed. The area is a deficit producer of feed grains, needing to import about 60 percent of its annual requirements. Consequently, it has become a growing market for U.S. corn, grain sorghums, soybeans, and soybean products. These four products account for approximately half of the U.S. agricultural exports to BLEU. Corn and grain sorghums by themselves account for nearly one-third of the total shipments made to the area.

Prospects for feed grains

The European Economic Community's (EEC) grain marketing regulations have been in effect since 1962, but thus far, the variable import levies have not had as much of an impact on BLEU imports of U.S. feed grains as one might expect. The United States has been able to share in the recent growth in the feed grain market because the Belgians have set their threshold (minimum import) prices for corn and sorghums at lower levels than for barley, the principal feed grain grown domestically.

The Belgian Government has established its target, intervention, and threshold prices for grains during 1965-66, and the price spread between corn and sorghums relative to barley has been maintained. Therefore, for at least another year, prospects appear bright for U.S. feed grain exports. However, EEC grain prices are to be unified in July 1967, and it appears likely that the BLEU prices for corn and sorghums, to be put into effect at that time in accordance with the EEC grain price decision of December 15, 1964, will raise the threshold prices for these grains equal to or perhaps above that for barley. This is expected to somewhat reduce the demand for shipments of U.S. corn and sorghums.

Other products doing well

Feed grains and soybeans are not the only important U.S. exports to the Union. Until recently, U.S. cotton had been accounting for about $20 million, unmanufactured tobacco for about $10 million, and fruits and vegetables for another $12 or $13 million. BLEU has been a growing market for U.S. citrus, canned fruits, rice, and turkey—partly because of market development programs for these products.

The United States has not been doing as well in the BLEU cotton market as a few years ago when half of these imports were U.S. cotton. The U.S. share has now declined to about 25 or 30 percent of the market.

Several factors are responsible for this drop, but price competition from other suppliers appears to have been important. Another reason is the smaller total BLEU market for cotton: cotton is facing strong competition from synthetic fibers. Cotton consumption in BLEU would have undoubtedly declined more if it were not for the intensive market development program for cotton being operated in Belgium by the Cotton Council International, in cooperation with the Belgian textile industry.

Market promotion for fruits

A number of U.S. market development cooperators are working at developing the market for U.S. fruits. California lemons are gaining a good reputation; also, exports of U.S. canned fruit can be expected to grow as incomes continue to rise. The United States still does not have unrestricted access to the Belgian market for apples and pears. The Belgian Government continues to use import calendar restrictions which keep out North American apples and pears for most of the marketing season. There is little doubt, however, that this fruit would sell well in BLEU if given the opportunity.

India Harvests Another Record Rice Crop

For the second successive year, India's rice crop has set a new record. The all-India final official estimate for 1964-65 (July-June), just released by the Ministry of Food and Agriculture's Directorate of Economics and Statistics, reports a 5-percent increase over last year—from 55,388,400 metric tons of rough rice to 58,156,800.

A major part of the increase in production is due to a 3.7-percent improvement in average yield per acre, from 1,387 pounds to 1,438. This is attributed partly to development measures and partly to favorable weather during the growing season.

Area increased also, but only by 1.3 percent, to 89,148,000 acres against 88,026,000. The increase came mostly in the States of West Bengal, Uttar Pradesh, and Madhya Pradesh (ranking second, third, and fifth in acreage), and in Assam and Punjab; all had good weather for sowing. Bihar (No. 1 in acreage) and Andhra Pradesh (No. 6) had acreage declines but still raised output notably.

Yugoslavia Overhauls Its Economy and Devalues the Dinar

By KEITH SEVERIN
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On July 26, Yugoslavia introduced broad measures designed to stabilize and strengthen its economy.

Ultimately, Yugoslavia hopes to develop its economy sufficiently so that its products can compete on the world market without protectionism. Toward this end, the economic organization of the country and its foreign exchange system are undergoing significant changes. More emphasis will be put on the role of market forces—factors which influence supply and demand—and attempts will be made to make price relationships, between commodities and between foreign and domestic products, more realistic. In general, it appears that the Yugoslav economy will be more in tune with those of the West.

One of the most dramatic steps taken to overhaul the economy was the devaluation of the dinar. From 1961 until the change in late July, the U.S. dollar-Yugoslav dinar exchange rate was $1.00 to 750. It is now $1.00 to 1,250.

Theoretically, such a devaluation will result in increased exports and reduced imports on the basis of the new exchange rate alone. However, the Yugoslav Government took steps in its recent reforms to liberalize trade as a whole, not merely to increase exports. Export subsidies were eliminated, and import barriers were significantly reduced or abolished altogether. Imports of raw materials were especially affected; average rates of customs duties were lowered from about 23 percent to 11 percent.

Prices and wages to rise

Higher prices to producers, including farmers, were also announced on July 26, as an inducement to increase output. Furthermore, the new prices paid to farmers are meant to bring the prices of farm products more in line with the prices of manufactured goods. Because food, beverages, and tobacco comprise such a large proportion of total personal consumption expenditures, this cannot help but influence the cost of living. In mid-1963, the Yugoslav Government estimated that these three categories accounted for 48 percent of total personal consumption outlays. Some think this was underestimated, but in any event, the share of total expenditures accounted for by these items has risen since the estimate was made.

On the basis of preliminary investigations, Yugoslav officials estimated that the general price level would immediately rise 24 percent as a result of the economic reform. For the economy in general, wholesale prices and wages are expected to increase by 22 percent in August. For agriculture, the predicted increase was 32 percent.

Farm prices mounting

In this period of rapid spiraling in the general economy, what has been happening to agricultural prices and incomes? In early June of this year, it was announced that, in comparison with 1963, all prices paid to farmers had risen by 24 percent. The price of grain had gone up 31.6 percent; livestock, 29.9 percent; milk, 23.5 percent; and vegetables, 14.9 percent. When the period 1961-64 is considered, however, the level of prices received by farmers rose by 59.6 percent.

Reflecting this trend, incomes of individual farmers, who account for about 85 percent of Yugoslavia's farm output, were reported to have risen by 66 percent. (Prices for farm tools and other factors of production purchased from off the farm went up 33 percent.) During the 3 years between 1961 and 1964, the price of farm goods at the retail level increased by 52.6 percent.

The government adopted legislation to stabilize prices on March 22, 1965, but this was abrogated by the new reforms. Prices were frozen for many items—both durables and consumables—at all levels of trade. While this achieved some of the desired effects, it failed since there was so much inefficiency and unused capacity throughout certain industries, including food processing.

Market to determine prices

One of the general goals of the reform is to abandon administrative price regulation. With the exception of several basic items, including bread, sugar, and edible oils, agricultural products are to form their prices freely and in accordance with market conditions. Prices of these basic commodities will be closely observed by the State and regulated if need be.

As a result of the new prices being paid to farmers, most cuts of meat now retail at levels 50 percent greater than before July 26. White bread is 45 percent higher, perhaps more in some areas. (In Yugoslavia the law stipulates that all red meat will be sold through state outlets. There may be some meat sold privately, however, because of the difficulty of enforcing such a restriction in a situation where the bulk of the output comes from individual producers. Nearly all the bread is sold through state-controlled stores.)

Another item now to be borne directly by consumers is the turnover tax. Heretofore, this tax, generally important in manufactured goods, including tobacco items, always rested with the producer. The amount of the tax paid now by the consumer is to be left with the producer for investment purposes. This is to constitute a move toward decentralization of investment.

To give the dinar more stature and strength abroad but particularly at home, the Yugoslav Government has scheduled a domestic currency reform to begin on January 1, 1966. Present-day dinars will be exchanged for new ones at the rate of 100 to 1 (much like the French action several years ago with the franc). It is expected that 4 to 5 years will be necessary to convert to the new form.

Short wheat crop this year

The new reforms are facing from the outset an unfavorable development resulting from a short domestic wheat crop. Floods and adverse weather in general, plus reduced seedings, will result in a 1965 wheat crop of about 3 million tons. The Yugoslav press has announced that imports will probably amount to 1.2 million metric tons, considerably more than in recent years. These imports will, of course, be more expensive in terms of domestic Yugoslav prices. (In the period 1959-64, wheat imports averaged 777,000 metric tons.)

U.S. Passports Warn Travelers About Plant Pests And Diseases and Alert Them to Quarantine Rules

"I am going to Western Europe this summer," wrote a young woman from Illinois to the U.S. Department of Agriculture, "and I have a question about importation. I would like to either bring back with me or send home tulip bulbs from Holland. I would like to know what I should do to have this privilege. I read in my passport that it is necessary to have an import permit."

Since bulbs from Holland are not on the prohibited list, the writer was promptly given the permit she wanted and undoubtedly next spring will have Dutch tulips blooming in her Illinois garden.

Not all plant materials, however, have such easy access to the United States, and for this reason the U.S. Plant Quarantine Service this year, for the first time, is warning U.S. travelers on their passports that the lovely little flowering plant that took their eye abroad may not be welcome in the United States.

Printed on passport

Under the heading "Important Information for You" is a paragraph that says: "The importation into the U.S. of certain agricultural materials is restricted or prohibited entirely because they often contain pests or diseases that could cause immense damage to our crops, forests, and livestock. Import permits are required for most plants, seeds, bulbs, soil, meat or meat products, fruits or vegetables. General information on the subject is contained in the pamphlet 'Customs Hints.' For specific information, write to the Agricultural Research Service, U.S. Department of Agriculture, Washington, D. C. 20250."

This message in the U.S. passport marks another milestone in the Plant Quarantine Division's 53-year battle against destructive pests and diseases entering this country—a battle which, with the tremendous growth in intercontinental travel, becomes considerably more difficult each year, as the following table indicates:

Pest	Number of interceptions	
	Fiscal 1965	Average per year 1962-1964
Fruit flies:		
Mediterranean	196	202
Mexican	223	252
Oriental	84	39
Olive	36	69
European cherry	104	75
Citrus canker	245	251
Golden nematode	101	55
Khapra beetle	462	273
Sweet orange scab	299	248
Japanese citrus scale	617	413
Black spot of citrus	571	470
	2,938	2,347

Fortunately, marked advances in quarantine techniques and procedures are helping. Also, the Department of Agriculture for several years has been conducting a campaign to inform the public, using as its slogan "Stop hitchhiking bugs." Travel agencies, steamship and air lines, the U.S. State Department, and U.S. Agricultural Attachés abroad are all working to get quarantine literature into the hands of U.S.-bound travelers, forewarning them that contraband plants and fruits stowed away in luggage will be confiscated upon arrival in this country.

War on Khapra beetle

The Quarantine Service is also stretching its inspection services to cover nonagricultural cargo arriving at seaports in an effort to eliminate the Khapra beetle. Found in the United States in 1953, this grain-devouring insect has been eradicated except in four areas, two in Texas and two in Arizona. But the beetle, whose natural habitat is the Far East, infests used grain bags and the like and can contaminate whole ships. Consequently, ship cargo inspection and fumigation have been stepped up, and this year a Khapra beetle squad is assigned to the Port of New York.

Livestock in Australia

A recent FAS publication, *The Livestock and Meat Industry of Australia* (FAS-M-164, July), discusses the problems and prospects of livestock production and marketing in a country that is responsible for about two-fifths of the world's wool exports and an eighth of its meat exports.

This study, the result of an on-the-spot survey by Reuben Albaugh, Extension Animal Husbandman, University of California, may be obtained from the Information Service Branch, FAS, Room 5918, U.S. Dept. of Agriculture, Washington, D. C. 20250.

How Weather Has Affected Chinese Oilseeds

Weather conditions in Mainland China, as they have affected crop production and crop prospects, reportedly have ranged from very unfavorable in Northeast China to unusually favorable in South China.

Northeast China and Inner Mongolia had a very dry winter with practically no snow. Reports are that the first rains that would permit spring planting of crops occurred in Liaoning between April 18 and April 22 and between May 5 and May 6. The next extensive rains in the Northeast occurred in mid-June and again at the end of June and the beginning of July.

Soybean acreage in Northeast China, the main area producing for export, may have been reduced by the long dry season. It is also likely that planting was delayed. Growth was probably retarded until the advent of rains in late June and early July. Thus, yields and total production in Northeast China could well be decreased.

In North China, as well as in the rest of China, acreage is believed to be about the same as last year's. Although total production may be just slightly less than in 1964, supplies for export may be significantly decreased if the decline in Northeast China occurs.

Peanuts have received considerable emphasis in China in connection with the campaign to raise more hogs. Both vines and peanut meal are to be used as hog feed. As most of the hogs are privately owned, the urge on the part of peasants to grow peanuts for their hogs should be an effective motivation. It is reported that this alone could cause a total increase in peanut acreage and production of 10-15 percent.

Rapeseed production from the winter crop is believed to be above the 1964 level, although probably not as much as the official claims would indicate. There was possibly some increase in acreage, but—more important—there was probably much less winter or frost kill, permitting a greater harvested acreage. The increase in production is estimated at between 5 and 10 percent.

A brief report on

U.S. Markets for Agricultural Products in Scandinavia

An important goal for the three Scandinavian countries—Sweden, Denmark, and Norway—has long been agricultural self-sufficiency. Nevertheless, together they buy some $200 million a year of U.S. farm commodities. Developments and U.S. activities in these markets were reported on at the recent meeting of U.S. Agricultural Attachés at Dublin. Excerpts from these reports follow.

Less "sufficiency" in Sweden

Sweden produces much of its needs for food and feed. It is generally self-sufficient, or better, in grains, dairy products, eggs and meats, and nearly so in other important commodity areas. A major objective in the past, self-sufficiency is now declining somewhat in importance.

The devices used to carry out Swedish support policies include price regulation, cash or credit assistance, import taxes and embargoes, export subsidies, and monopoly buying and selling.

As a market, conditions do not favor imports of products produced in Sweden or competitive with them. Requirements for feed grains and vegetable oils are largely met from domestic production. Bread grain imports vary with the size and quality of Swedish crops, but in a good year, import requirements are mostly limited to harder wheats needed for blending. Eggs, dairy products, and pork products are major export items.

Current import taxes

Imports of all these products are subject to import taxes. These taxes add to the cost of imported products an amount theoretically equal to the difference between world prices and the higher Swedish target prices. Here are some examples of current import taxes: carcass beef, almost 23 cents per pound; chicken meat, almost 24 cents; butter and cheese, about 12 cents; potatoes about $1.50 per hundred weight; wheat about $59 per ton and corn about $40.

Import tariffs apply on many additional products, some only during marketing seasons for Swedish production. In general, however, Swedish tariffs are not unduly onerous and do not seriously impede imports of products of particular interest to American suppliers. Certain canned fruits and vegetable juices may be exceptions.

Sweden is a good market for many products which Swedish farmers do not produce. In 1964, Sweden imported about $512 million worth of foods and agricultural products. About $82 million, or 16 percent, was from the United States. Tobacco and cotton made up more than a third of Sweden's imports of agricultural products from the United States in 1964. Wheat, marine fats and oils, rye, cigarettes, hides and skins, fruits, nuts, and variety meats were also important imports.

U.S. promotion programs

The market development projects active in Sweden are all for commodities which are not produced in Sweden; which are not smothered by import taxes and which promise good returns. At the moment, these are cotton, rice, prunes, citrus, and raisins. For each of these products, imports from the United States in 1964 exceeded imports in 1963. Other cooperator groups work in Sweden, but on a time to time basis.

Substantial markets for American cotton and tobacco seem assured for some time to come. The average Swedish diet is restricted in variety, and there are good prospects for additional use of commodities which add variety, including rice, fruits, and some canned vegetables.

Trend toward beef imports

Also, most signs indicate that Sweden is moving from an export to an import position in beef and that by 1972, consumption will exceed domestic production by 40-45 million pounds.

The more immediate prospects for expansion of U.S. markets may lie in those products which are now being imported in substantial volume from other sources. These include meats, fruits, nuts, and oilcake meal.

Sweden is already an important market for American products but could be a better one. Access, good products, good business relations, competitive prices and effective promotion will continue to be key elements in our agricultural trade with Sweden.

Denmark a competitive market

Denmark is a leading exporter of agricultural products and at the same time a good market for many U.S. farm products.

While Danish farmers grow most of their feed, including grains, they normally supplement this with imported feed grains, about half of which is supplied by the United States, and by imported oilseed meals and soybean meal made from imported soybeans.

Denmark also imports a fairly wide range of other U.S. agricultural products, including fresh, canned, and dried fruits, and cotton and tobacco.

Denmark's total imports of agricultural commodities in 1964 were valued at $388 million of which $78 million, or 20 percent, came from the United States. Principal imports were oilseeds, of which 64 percent came from the United States, tobacco 40 percent, cotton 33 percent, feed grains 20 percent, and fruits 6 percent.

The Danish standard of living is one of the highest in Europe and the per capita income is second or third highest. The Danish market is well supplied with a wide variety of imported products except for those directly competitive with Danish production, which are still restricted.

Competition is keen, but the opportunity for developing a market is also bracing. Therefore, the USDA cooperator market development program includes promotion projects for a number of our products.

Since Denmark needs U.S. corn and grain sorghums for feeding poultry and usually supplements its supply of barley and oats with imports, some promotion of feed grains is desirable.

At present a cooperative demonstration program is underway with the Danish Animal Husbandry Research Institute to show that beef cattle can efficiently be grown on rations with a high proportion of barley. This type of activity probably should continue to encourage greater use of U.S. feed grains in Danish feeding rations.

The two Danish soybean mills purchase most of their soybeans from the United States and in addition some soybean meal is imported. Danish feeding rations include 10 to 20 percent soybean meal in most cases.

More soybean oil is produced than can be sold in Denmark and a large part is exported. Little increase in consumption of soybean oil can be expected since margarine is the major cooking fat and only about 15 to 20 percent of the fat used in margarine is soybean oil.

Potential for U.S. fruit

Summer oranges and lemons from California sell well in the Danish market. Promotion of Florida grapefruit and especially the introduction of new products which are not now available on the Danish market in large quantities, such as frozen orange juice, probably would pay dividends. The introduction of pink grapefruit should be considered if a survey indicated possible success.

The United States is the largest supplier of raisins and prunes to the Danish market. We have promotion programs for these commodities and they should be continued in order to maintain consumption of these dried fruits in the face of increasing competition from fresh, canned, and frozen fruits. As the U.S. share of the market is relatively large, the main hope of increasing sales is to increase total consumption.

The United States provides a large portion of Danish imports of canned peaches and further development of the market for peaches probably could be obtained by introducing a modest advertising campaign. This is now being carried into effect.

Price factor in tobacco imports

Denmark purchases a large part of its cigarette tobacco from the United States. The major competition is from flue-cured tobacco from Rhodesia. U.S. leaf has a generally good reputation in Denmark but the proportion used in cigarettes depends in no small part on the price of U.S. tobacco relative to that for Rhodesian leaf.

About one third of Denmark's cotton imports comes from the United States most years, but cotton faces strong competition from synthetics. In order to maintain the present market and to increase the use of cotton, market development activities should be increased when feasible.

Norway's food 60% imported

Norway must import 60 percent of its food requirements; this, for the most part, supplies the Oslo area and other urban centers in the south.

Total imports of farm commodities in 1964 were valued at $228.6 million of which $39.7 million or 17.4 percent came from the United States. Principal imports were feed grains, of which 21 percent came from the United States, oilseeds 60 percent, tobacco 61 percent, cattle hides 24 percent, and fruits 18 percent.

Despite the large proportion of food imports, the Norwegian market is not an easy one to develop since virtually all agricultural imports are under an embargo or State trading and required commodities are imported under license.

It is doubtful that import liberalization will occur in the near future although some change probably will be made within the next 5 years.

Market for wheat and rye

Norway is a relatively good market for wheat and rye and the U.S. share of this market depends to a considerable extent on competitive pricing. While Norwegians prefer U.S. hard wheats to wheat from Argentina, France, and other suppliers other than Canada, they will not pay a very large premium for hard wheats. In the past Russia supplied a considerable proportion of Norwegian wheat requirements, but the Soviet Union has been out of the market for several years.

Feed grain imports are to a large extent corn and grain sorghum plus some barley and oats in most years to supplement domestic production. The United States supplies a considerable part of feed grain imports.

Other commodities which the United States sells in Norway are about the same as those in Denmark—soybeans, citrus, dried and canned fruits, plus some apples and pears if the import season is opened sufficiently early. In addition, Norway is at present taking some U.S. processed veal and may become a market for processed beef and a few special high-grade cuts.

While the Norwegian market appears not to be as susceptible to development as is the Danish market at this time, the United States is promoting some products there under the cooperator market development program.

All of the Norwegian bread grains are imported by the Norwegian State Grain Corporation so that the promotion of sales of these commodities consists mainly in maintaining friendly working relationships with officials of the Corporation and occasional servicing problems.

Great Plains Wheat, Inc., and FAS representatives have developed excellent working relations with the Corportation officials, who are very cooperative as was indicated by their attempt to purchase wheat with a specified Zelleny test rating last year.

Rice imports restricted

Norwegian import restrictions limit the amount of U.S. rice sold in that country. Since no rice is grown in Norway, the reason given for import controls is to protect two rice milling operations from foreign competition. Precooked rice is classified under a different tariff item from ordinary milled rice so that the price of precooked rice is out of proportion and such imports as are made find only a small market.

The United States is the major supplier of raisins and prunes to the Norwegian market. Prune promotion needs to be continued since there is a tendency for the consumption of dried prunes to decline and since lower-priced foreign prunes are used in ready-cooked compotes and attract a larger share of the market. Raisin promotion is beginning this coming season and appears to be necessary to prevent declining consumption.

About two-thirds of Norwegian tobacco imports normally comes from the United States. The principal competition has come from Rhodesian flue-cured, which is lower in price than U.S. flue-cured, but imports from Japan, Canada, and Thailand are also significant.

Norwegian purchases of U.S. cotton make up about two-thirds of total cotton imports in most years. Some market promotion has been carried out in recent years, and will be stepped up in an attempt to increase the use of cotton, which should lead to larger purchases of U.S. raw cotton.

Purebred Holsteins and Balanced Livestock Feed Slated for U.S. Exhibit at Cremona's Dairy Fair

The first showing of U.S. purebred Holsteins in Italy—flanked by an extensive exhibit of balanced rations—will be held at Cremona's 20th International Fair of Dairy Cattle, September 10-19. The display will provide in a key market an excellent demonstration of the tie between top-quality livestock and balanced feeding.

The Cremona show, largest dairy cattle fair in Europe, attracts visitors and tradespeople from throughout the Continent.

According to Robert C. Tetro, U.S. Agricultural Attaché in Rome, this year's fair is "more important than usual" because the Italian dairy industry is facing major problems in herd rebuilding and improvement.

In recent years there has been a dramatic change in the type of dairy farming practiced around Cremona and U.S. methods are being adopted.

Unlike other areas in Europe where cattle are used for dual and triple purposes, cattle in the Cremona area are raised strictly for dairy purposes. Milk output there is among the highest in Europe.

However, for all of Italy, average annual milk production in 1964 was only 4,350 lb. per cow—little more than half the production average of the U.S. dairy animal. (Over 1.7 million U.S. cows on a testing program in 1964 averaged 11,685 lb., but the national average is about 8,000 lb.).

Even though Italy's 1964 average was higher than the previous 2 years, it only equaled that of 1961. Milk cow numbers have decreased 10 percent since then.

Cooperating with FAS on the Cremona exhibit are the Holstein-Friesian Association, U.S. Feed Grains Council, Soybean Council, and National Renderers Association. With feed grains, soybeans, and tallow among the top four U.S. exports to Italy, the latter three cooperators have active year-round promotion programs within the country. The Holstein-Friesian Association works closely with the Holstein Association of Italy and has sponsored the trips of Italian representatives to the United States.

HFA will show 35 registered Holsteins, which is expected to be by far the most predominant breed shown by the nine countries besides Italy exhibiting at Cremona. Other exhibitors will be Canada, the United Kingdom, Germany, Sweden, Denmark, the Netherlands, Austria, and Switzerland.

In the first 6 months of this year Italy became the third largest U.S. market for registered Holsteins, taking 220 head compared with only 2 in the same period a year before.

The U.S. feed groups will concentrate on demonstrating the importance of balanced, high-energy feeds to quality livestock production. Among feed grains, corn will receive primary emphasis. The Soybean Council will concentrate its promotion on soybean meal and National Renderers on high-energy fat (tallow) in feed.

With grain-feeding of cattle growing at a rapid pace in Italy, feed grains lead all other imports from the United States. Italy is this nation's fifth largest feed-grain customer and purchased 1 million metric tons valued at $55 million in fiscal 1964. The figure for 1965 is expected to reach 2 million tons.

Oilseeds, primarily soybeans, are third among U.S. exports to Italy. Soybean purchases from the United States in fiscal 1965 totaled 10.9 million bushels valued at $31.6 million.

Italy is also one of the top four U.S. tallow and grease customers although use of tallow has been confined mainly to soap production.

5,000 Philippine Scouts Served Breakfast Rolls Made From U.S. Wheat

Hot fresh rolls made from U.S. wheat highlighted each morning's breakfast menu at the Philippine National Boy Scout Jamboree in Cebu last month and were hailed enthusiastically by the 5,000 scouts from throughout the Republic who gathered for the week-long event.

Since many of the scouts came from areas where wheat is relatively unknown, their response led Fred Schneiter, Wheat Associates director for South East Asia, to believe that "the National Scout Jamboree in a way provided a unique informal marketing study, demonstrating that youngsters from throughout the Philippines are good potential wheat-food customers."

Each morning as dawn broke over the scouts' pup tents and straw huts, an old truck drove into camp carrying 20,000 rolls baked in a small oven which during the school year produces rolls for 7,000 children in 14 schools. This is part of a school-snack program sponsored by WA, CARE, the Philippine Bureau of Public Schools, and the Cebu school system.

The developing economy and growing population of the Philippines make the island Republic a potentially large commercial market for U.S. wheat. Once a P.L. 480 recipient, the Philippines purchased commercially 372,393 metric tons of U.S. wheat in fiscal 1965 as against 256,424 metric tons a year earlier.

Eating rolls made from U.S. wheat are these Filipino boys whose hats identify them as coming from island of Luzon.

U.S. Cocoa Bean Imports Increase

Despite the withdrawal of the Cocoa Producers Alliance from the market during late 1964 and early 1965, U.S. imports of cocoa beans during the first 6 months of 1965 totaled 355.7 million pounds, up 18 percent over the same period the year before. The rise is attributed to increased manufacture buying, which has been stimulated by near-record low world cocoa bean prices.

Imports from Nigeria during January-June 1965 totaled 60.2 million pounds, nearly double the 6-month 1964 level. Imports from Ecuador, Brazil, Mexico, Cameroon, and the Ivory Coast were also up sharply. However, thus far, shipments from Ghana—the largest U.S. supplier—have amounted to 128.4 million pounds, down slightly from the same period a year earlier.

United Nations Cocoa Conference To Meet

A special meeting of the Working Party on Prices and Quotas of the United Nations Cocoa Conference is to be held at Geneva during the week of October 18 to consider proposals put forward by major cocoa-producing countries for short-term measures to alleviate problems facing producers.

Some of the proposals to be discussed are the implementation of a temporary minimum price level for cocoa for the October-September 1965-66 crop year; the creation of a loan fund which the producing nations might draw upon to finance the withholding of cocoa stocks; ways to increase cocoa consumption in important nations; and the removal of administrative and fiscal barriers hampering consumption.

Togo Reduces Cocoa Producer Prices

Because of the current low world level of cocoa bean prices, the Togolese Marketing Board is now paying cocoa farmers 35 CFA francs per kilogram (6.4 cents per lb.) for the 1965 mid-crop, compared with 70 francs (12.8 cents) paid for the 1964-65 main crop.

The reduction in prices to farmers was deemed necessary to avoid any excessive drain upon the Marketing Board's reserves.

Kuwait To Make Loan to Sudan for Sugar Plantation

The Government of Kuwait on July 15 signed an agreement to make Sudan a loan of 1.7 million Kuwait dinars (US$4.8 million) under the Kuwait Fund for Arab Economic Development (KFAED) for the Khasm El Gibra sugar project. Sudan was the first country to receive a KFAED loan—for railway development in 1962—and now becomes the first country to receive a second loan from Kuwait's development fund. To date KFAED has loan agreements totaling KD39.5 million (US$111 million) with Algeria, Jordan, Sudan, Tunisia, and the UAR.

The loan to Sudan will assist in financing the Khasm El Gibra Sugar Scheme, which consists of a sugar plantation and a factory. The factory will have a capacity for processing 675,000 tons of sugarcane annually over a 6-month period. The fund loan represents about 22 percent of the total cost of the project, with most of the remainder financed by foreign loans. It will be for a term of 14 years and bear interest at the rate of 3½ percent per annum.

Ghana Further Reduces Cocoa Producer Prices

The Ghanaian Government has announced that beginning with the 1965-66 October-September cocoa season, the gross producer price, previously fixed at 9.3 cents per pound, will continue to be subject to "voluntary" contributions totaling 2.3 cents per pound for the Development Plan and the Agricultural Credit Bank. Thus, the net price to growers will now be 7 cents per pound, compared with 12.6 cents received for the 1964-65 main crop.

West Germany's Cheese Imports Down

West Germany's cheese imports for January-April 1965, at 83 million pounds, were 9 percent less than for the corresponding period of 1964. Imports from Common Market countries increased 4 million pounds to 53 million, of which the Netherlands supplied 35 million. Appreciably less cheese than last year was shipped by the regular suppliers outside the EEC area. These included Denmark, Finland, Norway, Sweden, and New Zealand.

Butter imports declined from 26 million pounds to 8 million. Imports from France, at 5 million pounds, were 1 million less than a year ago. There were no shipments from New Zealand and Australia in the first 4 months of 1965. In the comparable 1964 period, these countries had supplied 6 million pounds and 2 million pounds, respectively.

Exports of butter, at 11 million pounds, went about equally to France and Italy. There were no exports of butter from West Germany in the corresponding period of 1964.

U.S. Imports of Meat and Livestock Products

U.S. imports of meat in June 1965 were 36 percent below those in June 1964, and the total for the first half of 1965 was 23 percent below that for the same period last year.

Beef and veal imports for the first 6 months of 1965 were 31 percent below those of January-June in the previous year, and those for June alone were 41 percent below June 1964. Boneless beef imports for the first 6 months were 37 percent below those of the same period last year.

Pork imports in June continued above those of a year ago, and January-June imports 19 percent higher. Smaller U.S. production and higher U.S. prices have caused this increase. However, mutton imports for the first 6 months of 1965 were down 62 percent from the same 1964 period.

Dutiable (apparel) wool imports continued to increase, with imports in January-June 1965 73 percent above those last year. Imports of duty-free (carpet) wool in June 1965 were 58 percent above those of June 1964, although for the first 6 months they were down 17 percent from those of a year earlier.

Imports of hides and skins in the first 6 months of 1965 showed mixed trends, with increases for buffalo hides, calf,

pig, goat, and kid skins but decreases for cattle and horse hides, kip, sheep, and lamb skins.

Imports of cattle in January-June 1965 were 28 percent above the 1964 level, reflecting higher U.S. prices; and June imports were almost five times those for June 1964.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	June		Jan.-June	
	1964	1965	1964	1965
Red meats:				
Beef and veal:				
Fresh & frozen:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Bone-in beef:				
Frozen	457	334	1,912	1,510
Fresh & chilled	299	1,934	5,626	5,450
Boneless beef	89,637	36,233	367,784	232,116
Cuts (prepared)	167	579	510	1,295
Veal	1,745	1,162	9,412	8,770
Canned beef & beef sausage	5,393	11,527	41,537	37,338
Prepared & preserved	1,856	2,131	4,941	10,265
Total beef & veal	99,554	53,900	431,722	296,744
Pork:				
Fresh & frozen	3,290	4,911	19,958	23,482
Canned:				
Hams & shoulders	11,417	14,226	69,458	82,583
Other	1,669	2,145	10,362	13,280
Cured:				
Hams & shoulders	124	116	723	784
Other	351	554	2,125	2,665
Sausage	128	116	822	792
Total pork	16,979	22,068	103,448	123,586
Mutton and goat	6,014	2,399	26,877	10,283
Lamb	1,335	604	6,224	5,638
Other sausage	324	250	2,018	2,214
Total red meat	124,206	79,221	570,289	438,465
Variety meats	102	167	786	694
Wool (clean basis):				
Dutiable	6,601	12,520	47,575	82,250
Duty-free	6,615	10,473	59,970	49,549
Total wool	13,216	22,993	107,545	131,799
Hides & skins:	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	30	26	180	118
Calf	84	68	215	272
Kip	154	68	467	318
Buffalo	34	72	246	314
Sheep and lamb	2,667	1,714	18,119	17,830
Goat and kid	1,134	1,430	7,678	7,759
Horse	39	39	229	185
Pig	145	366	887	1,734
	Number	*Number*	*Number*	*Number*
Live cattle[1]	12,848	63,650	294,608	376,419

[1] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

U.S. Tobacco Exports Lower in June

U.S. exports of unmanufactured tobacco in June 1965, at 36.1 million pounds (export weight), were 18 percent smaller than those of June 1964.

Total exports in the January-June 1965 period, at 171.3 million pounds, were down 15 percent from those in the first half of calendar 1964. For the fiscal year ended June 30, 1965, exports totaled 480 million pounds, valued at $395.3 million, compared with 532 million pounds at the record valuation of $420.7 million for fiscal 1964.

Flue-cured exports in fiscal 1965 totaled 368.7 million pounds (export weight)—down nearly 13 percent from the 422.9 million shipped out in fiscal 1964. For burley, however, exports increased from 46 million pounds to 47 million.

Exports of tobacco products in June 1965 were valued at $11.4 million, compared with $10.9 million in June a year ago. Exports of cigarettes, at 2,109 million pieces, rose 3 percent. Exports of cigars and cheroots, chewing and snuff, and smoking tobacco in bulk also were larger, while those of smoking tobacco in packages were down a little. For January-June 1965, the total value of all tobacco product exports was $59.4 million—about the same as the value of $59.3 million for the first 6 months of 1964.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	June		January-June		Change from 1964
	1964	1965	1964	1965	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	29,947	24,964	149,140	126,297	−15.3
Burley	9,471	7,838	24,414	18,485	−24.3
Dark-fired Ky.-Tenn.	1,812	403	8,781	6,688	−23.8
Va. fire-cured[1]	281	445	2,271	2,535	+11.6
Maryland	859	422	5,064	3,149	−37.8
Green River	103	17	416	396	− 4.8
One Sucker	---	21	56	84	+50.0
Black Fat, etc.	192	400	1,448	1,619	+11.8
Cigar wrapper	804	450	3,325	1,922	−42.2
Cigar binder	80	104	1,057	1,629	+54.1
Cigar filler	80	55	239	245	+ 2.5
Other	455	997	5,632	8,297	+47.3
Total	44,084	36,116	201,843	171,346	−15.1
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	30.3	28.8	151.1	133.4	−11.7

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	June		January-June		Change from 1964
	1964	1965	1964	1965	
Cigars and cheroots					*Percent*
1,000 pieces	3,104	5,495	20,978	21,408	+ 2.0
Cigarettes					
Million pieces	2,046	2,109	11,450	11,378	− .6
Chewing and snuff					
1,000 pounds	17	34	190	129	−32.1
Smoking tobacco in pkgs.					
1,000 pounds	148	127	752	475	−36.8
Smoking tobacco in bulk					
1,000 pounds	1,261	1,442	4,904	5,810	+18.5
Total declared value					
Million dollars	10.9	11.4	59.3	59.4	+ .2

Bureau of the Census.

Sabah's Cigarette Trade Down

Imports of cigarettes into Sabah (formerly North Borneo) during 1964 totaled 7.9 million pounds—down substantially from the 1963 level of 14.9 million. Smaller imports from Hong Kong and the United States accounted for the decline and more than offset larger takings from Singapore and the United Kingdom.

Imports from Hong Kong last year totaled 6.5 million pounds, compared with 12.4 million in 1963. Takings from the United States dropped to 1.0 million pounds from 2.1 million in the previous year. However, imports from Singapore rose to 174,000 pounds from 96,000, and takings from the United Kingdom totaled 282,000 pounds, compared with 276,000 in 1963.

Sabah's exports of cigarettes last year dropped to 8.9 million pounds from 12.8 million in 1963. Reduced shipments to the Philippines accounted for most of the decline.

Shipments to the Philippines last year totaled 8.9 million pounds, compared with 12.6 million in 1963 and 9.5 million in 1962. Also, shipments going to Sarawak, Brunei, and Indonesia were down from the previous year.

Belgium's Tobacco Imports Set Record

Belgium's imports of unmanufactured tobacco reached a new high in 1964—68.6 million pounds, compared with 63.9 million in 1963.

The United States supplied 17.1 million pounds in 1964, or 24.9 percent of the total, compared with 16 million, or 25.0 percent of the total, in 1963.

Imports of tobacco from Rhodesia, Zambia, and Malawi totaled 6.1 million pounds in 1964—down a little from those of 1963. Other major sources of Belgium's imports last year included Brazil, 5 million pounds; India, 4.5 million; Paraguay, 4.1 million; and the Dominican Republic, 4.1 million.

BELGIUM'S TOBACCO IMPORTS

Origin	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	14,939	15,989	17,071
Netherlands[1]	3,161	4,908	6,750
Rhodesia, Zambia, Malawi	5,813	6,280	6,092
Brazil	4,598	4,822	5,036
India	4,457	4,207	4,481
Paraguay	3,174	3,017	4,133
Dominican Republic	3,867	3,871	4,112
Greece	3,341	2,905	3,150
Indonesia	3,068	2,571	3,144
Turkey	2,502	2,910	2,822
Philippines	1,261	1,501	1,936
Argentina	871	958	1,128
Bulgaria	763	876	980
Italy	1,024	610	539
Others	7,388	8,448	7,275
Total	60,227	63,873	68,649

[1] Re-exports.

Rhodesian Flue-cured Auction Sales

Auction sales of flue-cured tobacco in Salisbury, Southern Rhodesia, for the past 21 weeks of sales, ended July 28, totaled 183.3 million pounds at an average price equivalent to 41.1 U.S. cents per pound. Sales for the comparable period a year ago totaled 200.6 million pounds at an average of 33.2 cents.

Peruvian Cotton Exports Lower in 1964-65

Exports of cotton from Peru during the first 10 months (August-May) of 1964-65 amounted to 348,000 bales (480 lb. net), 14 percent below the 402,000 bales exported in the same period of 1963-64. Exports for the complete 1963-64 year amounted to 510,000 bales.

Quantities exported to major destinations from August 1964 through May 1965, in 1,000 bales, with comparable 1963-64 figures in parentheses, were Argentina 57 (24), West Germany 44 (60), United Kingdom 33 (51), Chile 30 (30), Netherlands 26 (27), Japan 26 (36), Belgium 24 (36), India 20 (12), Venezuela 17 (17), France 14 (29), Switzerland 12 (23), Italy 9 (13), Uruguay 8 (7), and Denmark 7 (7). Total exports for the complete 1964-65 season are likely to be around 500,000 bales, slightly below a year ago.

In early June, prices for Peruvian Tanguis Type 3 were the lowest since May 1963—34.33 U.S. cents per pound, c.i.f. Liverpool, compared with 39.41 cents at the corresponding time a year ago. On August 5, Pima No. 1 new crop was quoted at the lowest price since December 1963, or 39.49 cents, c.i.f. Liverpool, compared with 47.82 cents a year ago. Tanguis prices have recovered slightly in recent weeks. On August 5, Type 3 was nominally quoted at 35.24 cents, c.i.f. Liverpool.

The 1964-65 cotton crop in Peru is now estimated at 650,000 bales—4 percent above the 1963-64 crop of 625,000 bales. The planted area in 1964-65 is estimated at 680,000 acres, about the same as in the previous two seasons. Production of extra long staple Pima and Karnak and long staple Cerro and Aspero totaled around 215,000 bales in the 1964-65 season. Tanguis production in 1964-65 (harvest just completed) is estimated at 435,000 bales, up slightly from the 423,000 bales produced a year ago.

Cotton consumption in the 1964-65 season is placed at a record 100,000 bales, 5 percent above a year ago.

Despite increased consumption, the reduced exports and a larger crop have contributed toward a buildup in stocks to 360,000 bales at August 1, 1965, 14 percent above a year earlier. August 1 stocks have averaged 310,000 bales for the past five seasons.

Brazil Harvests Record Peanut Crop

Brazil's 1965 peanut crop is now estimated at a record 668,000 metric tons, in-shell basis, 90 percent above last year's reduced outturn and 3 percent above the 1962 record. This estimate is based on the final estimates of the São Paulo crop—598,000 tons from 413,800 hectares—reported by the State Secretariat of Agriculture.

During the first 3 months of 1965, trade in peanuts and products was valued at $2.75 million, f.o.b. Santos. The main commercialization of the crop was between April and August. Therefore, exports are expected to be much higher during the remainder of the year, totaling possibly $11 million.

Exports during January-March were shelled peanuts, 864 metric tons; peanut meal, 33,987; peanut cake, 1,133.

Prices that farmers have received are considered excellent. Consequently, with favorable weather in 1966, production is expected to exceed this year's record.

U.S. Exports of Soybeans, Edible Oils, Cakes and Meals

Soybean exports from the United States in June, at 16.1 million bushels, were somewhat below the 17.8 million shipped in May. Canada is indicated to have been the major taker. However, sizable but undetermined quantities are transshipped—largely to Western Europe. Cumulative exports in the first three quarters of the marketing year beginning October 1, 1964, were 11 percent above the comparable period a year earlier.

June exports of *edible oils* (soybean and cottonseed) amounted to 157.5 million pounds against 154.0 million in the previous month. Foreign donations accounted for a significantly larger portion of the total than previously. In the 9-month cumulative period through June, edible oil exports were up by more than one-third from the corresponding months in 1963-64. Exports of soybean oil, which represented about two-thirds of the total, accounted for about 72 percent of the gain.

U.S. *cake and meal* exports in June, at 168,500 short tons, increased slightly from the 162,200 tons shipped in May. Exports in the first three quarters of 1964-65, at 1.83 million tons, were 70 percent above the 1.08 million exported in the like period of 1963-64. Exports to West Germany, the Netherlands, and France in aggregate accounted for about one-half of the indicated gain. Exports

of both cottonseed and linseed cakes and meals, although relatively small, gained sharply from the 1963-64 period.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item and country of destination	Unit	June 1964[1]	June 1965[1]	October-June 1963-64[1]	October-June 1964-65[1]
SOYBEANS					
Japan	mil. bu.	2.4	3.6	34.5	36.4
Canada	do.	2.8	5.2	21.0	26.1
Netherlands	do.	1.4	1.3	19.8	23.8
Germany, West	do.	2.2	1.5	24.9	19.1
Denmark	do.	.5	.5	9.1	11.4
Other	do.	3.7	4.0	45.1	55.1
Total	do.	13.0	16.1	154.4	171.9
Oil equiv.	mil. lb.	143.2	176.6	1,695.0	1,887.3
Meal equiv.	1,000 tons	306.6	377.9	3,627.8	4,039.2
EDIBLE OILS					
Soybean:[2]					
Pakistan	mil. lb.	---	5.0	26.5	184.7
Spain	do.	---	---	---	166.5
India	do.	---	8.9	.1	73.2
Morocco	do.	---	7.1	26.1	60.7
Iran	do.	11.0	7.4	46.8	57.6
Greece	do.	---	---	---	51.4
Israel	do.	5.4	3.5	12.8	40.4
Argentina	do.	---	---	(3)	40.1
Turkey	do.	6.1	.6	83.7	34.6
Other	do.	77.0	45.7	506.6	219.1
Total	do.	99.5	78.2	702.6	928.3
Foreign donations[4]	do.	13.9	27.3	[5]14.0	[5][6]67.0
Total soybean oil	do.	113.4	105.5	716.6	995.3
Cottonseed:[2]					
Germany, West	do.	17.7	11.8	95.1	141.8
Iran	do.	1.7	4.2	24.3	47.9
Netherlands	do.	.7	9.6	69.6	45.9
Canada	do.	2.3	2.2	26.8	31.9
Egypt	do.	---	---	52.3	26.7
Morocco	do.	---	---	6.6	23.9
Venezuela	do.	3.2	3.9	21.8	20.0
Pakistan	do.	---	---	2.8	17.5
Mexico	do.	---	10.8	(3)	10.9
Vietnam	do.	---	---	.8	8.4
Other	do.	17.5	7.8	110.6	57.9
Total	do.	43.1	50.3	410.7	432.8
Foreign donations[4]	do.	---	1.7	[5].5	[5][6]87.4
Total cottonseed oil	do.	43.1	52.0	411.2	520.2
Total oils	do.	156.5	157.5	1,127.8	1,515.5
CAKES AND MEALS					
Soybean:					
France	1,000 tons	23.6	26.2	184.8	281.3
Germany, West	do.	32.1	28.1	87.2	239.6
Netherlands	do.	17.3	22.1	94.4	209.4
Canada	do.	17.0	17.1	135.5	183.1
Belgium	do.	11.3	20.9	79.2	144.9
Italy	do.	(7)	5.9	52.1	114.9
Yugoslavia	do.	---	---	65.5	108.9
Denmark	do.	3.5	2.3	57.6	104.6
Spain	do.	16.2	.6	134.3	59.5
Other	do.	12.6	20.7	128.6	218.6
Total	do.	133.6	143.9	1,019.2	1,664.8
Cottonseed	do.	2.2	16.9	38.4	113.6
Linseed	do.	2.4	6.2	18.4	37.4
Total cakes and meals[8]	do.	138.2	168.5	1,076.2	1,831.0

[1] Preliminary. [2] Includes Title I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Less than 50,000 pounds. [4] Title III, P.L. 480. [5] Estimated by USDA, includes salad oil and oil in shortening. [6] October-December estimated by USDA. [7] Less than 50 tons. [8] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

NOTE: Countries indicated are ranked according to quantities taken in the current marketing year.

Argentine Flaxseed Acreage Up Slightly

The first official forecast of area seeded to flaxseed for the 1965-66 season is 2,965,200 acres, 2 percent above last year's seeded acreage. In 1964-65 Argentina produced 32.1 million bushels of flaxseed from 2,895,518 seeded and 2,679,305 harvested acres.

Belgium Flax Subsidy for 1965

The Belgian Government will pay farmers a subsidy of BFr2,000 per hectare (approximately US$16.20 per acre) for flax grown during 1965, or the same as in 1964 from funds advanced by the National Institute for Agricultural Credit.

The total area sown to flax in 1965, according to preliminary data, was 63,000 acres, compared with 96,800 acres in 1964 and 83,800 acres in 1963.

1965 Australian Dried Vine Fruit Export Allocations

The Australian Dried Fruits Control Board has announced the latest anticipated allocations for the 1965 dried vine fruits pack, which is estimated at 118,300 short tons. Export allocations for the present pack exceed 1964 shipments by more than 3,600 tons. If the anticipated allocations materialize, exports to the United Kingdom would be approximately 1,500 tons less than the 1964 figure.

AUSTRALIAN 1965 DRIED VINE FRUIT ALLOCATIONS AND 1964 EXPORTS

	1965 allocation	1964 exports
	Short tons	*Short tons*
United Kingdom	38,100	39,567
Canada	20,900	20,287
European Continent & Ireland	15,800	12,752
New Zealand	8,200	7,767
Japan	2,500	1,857
South Africa	200	224
Other	3,900	3,503
Total	89,600	85,957

Of the 1965 sultana pack, estimated at 93,000 tons, 5 crown grade may account for 52,700 tons (57 percent); 4 crown for 29,400 (32 percent); 3 crown for 9,000 (10 percent); 2 crown for 1,000; 6 crown for 800; and 1 crown for 100 tons.

For shipments to the European Continent and Ireland, the Board has approved prices of $412.50 per ton c.i.f. for seeded raisins in bulk, $285 for 4 crown unseeded f.o.b., and $295 for 5 crown unseeded f.o.b. Australian port.

Basra (Iraq) Date Production Decreases

The 1965 date crop from the Basra (Iraq) area is tentatively forecast at 75,000 short tons—down approximately 25,000 tons or 25 percent from the previous year's estimated production. The Sayir variety, which comprises roughly 50 percent of the Basra crop, is expected to decrease as much as 7,000 tons from 1964 and may total 38,000 tons, while Hallawi may total 26,000 tons (down 9,000), Khadrawi 6,000 (down 5,000), and Zahdi 5,000 (down 4,000).

Reportedly, the dates will be of good quality because of adequate water supplies and an absence of heavy dust storms which generally favor spider mite infestation.

The count of select unpitted Hallawi dates may number between 62 and 65 per pound while Sayirs may range between 70 and 75—slightly larger sizes than last year.

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Preliminary Canadian Grain Acreages Estimated

Canada's Dominion Bureau of Statistics has released its preliminary estimates of crop and summerfallow acreages for 1965. For wheat, it estimates 28,282,200 acres, a decline of 5 percent from the 29,685,800 devoted to all classes of wheat last year. This all-Canada drop was due principally to a severe winterkill of Ontario winter wheat, which cut that Province's wheat area 20 percent.

DBS estimates sizable acreage gains, however, in grain corn. Ontario, which accounts for nearly all of Canada's grain corn, and which produced a record crop in 1964, has a record 740,000 acres this year—a 14-percent increase. Manitoba's seedings were placed at 12,000 acres, for a gain of 20 percent.

Canadian farmers, who had declared their intentions of increasing oats area by 5 percent, actually planted 1 percent fewer acres than in 1964. Barley acreage, however, is up 11 percent (although 24 percent below the 10-year average), and rye is up 10 percent, to an area that is 8 prcent above average.

Australia Suspends Wheat Sales

The Australian Wheat Board has temporarily withdrawn all offers of wheat other than those already committed to usual customers in distant areas such as Europe and the Middle East.

This action was taken because of poor crop prospects and heavy livestock feeding as a result of drought.

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